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Office of Leadership Analysis

27 January 1987

NOTE FOR: Deputy Director for Intelligence

1. Attached is one of the two copies of the Iran post mortem that we have been able to locate in Headquarters. We know of another in OT&E. So far as we can tell without going to the Records Center, it was distributed only within the Office of Political Analysis. I, as Director of Political Analysis, recommended distribution to other offices and the other DD's but Bruce Clark decided otherwise. He also decided against distribution to INR and DIA. I can find no indication whether ^{that} distribution outside the Agency was considered or undertaken.

2. We might be able to find out more by going to the Records Center, but this would probably take several days - especially with people snowed in. Let me know what, if anything, I can do to help.

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Helene L. Boatner
D/LDA

Atts: Introductory Note
"Analysis of NFAC's Performance
on Iran's Domestic Crisis, Mid-1977
- 7 November 1978"

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19 December 1979

Introductory note:

I am disseminating this report, completed under the auspices of my predecessor as D/NFAC, because I believe it will be helpful both to analysts and to managers in improving our substantive product. Although it is directed to one issue at one moment in history, it is a careful examination of some of the pitfalls that are endemic to intelligence analysis. I urge each of you to read it carefully and thoughtfully. I particularly urge those of you who are line analysts and first-line supervisors to draw from it useful ideas for further improving our analytical work.

Bear in mind that this report was initiated and executed as a limited endeavor. It was intended to look only at NFAC itself within a short, specific time frame and in the light of the circumstances that actually prevailed. It is not: ,

- a retrospective analysis of the Iranian situation
- a study of collection as well as analysis
- an inquiry into the impact of policy on intelligence
- an examination of the role of intelligence in policymaking
- an attempt to assess the role or competence of any individual

Read it, therefore, for what it is. (C)

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✓ **Bruce C. Clarke, Jr.**
Director
National Foreign Assessment Center

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NFAC # 3769-79/1...

5 October 1979

D/OPA-79-1152

MEMORANDUM FOR: Director, National Foreign Assessment Center

FROM : Helene L. Boatner
Director, Political Analysis

SUBJECT : Next Steps on Iran Post-Mortem

1. I recommend fairly wide distribution of the Iran post-mortem, because I believe it makes a number of valid suggestions for the improvement of NFAC analysis. It is particularly, but by no means exclusively, pertinent to the work of OPA. It is constructive in tone and in my opinion generally fair and accurate. A recommended pattern for distribution is attached.

2. If you agree, a number of steps need to be taken:

- To attempt to deflect criticisms such as those made by some who have already read it, of what the report is not, I recommend an introductory note from you. A draft is attached.
- You should seek DCI permission for distribution. I need an answer on this by next week if at all possible.
- You should ask the DCI whether he wants to have the discussion of the report that Dr. Bowie apparently had envisaged and may have promised him. If the DCI does want such a discussion, you need to find out whether he would like the two authors to participate. Both are willing and still have the necessary clearances.
- If dissemination is approved, OPA should clear dissemination outside NFAC with the DDO, since it includes material still subject to their control.
- I should check again with [] on whether he wants to add a comment on his disagreement on a matter of fact. It is fairly minor, and at the moment he is disinclined.

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SUBJECT: Next Steps on Iran Post-Mortem

-- PPG should arrange for insertion of the introductory note, printing of additional copies if that is necessary, and distribution.

3. For your information, I am returning the various comments on the report that were sent to Dr. Bowie, as well as the memoranda between him and the authors.



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~~Helene~~ L. Boatner

Attachments:
as stated

The entire contents of this memorandum
are classified CONFIDENTIAL.

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SUBJECT: Next Steps on Iran Post-Mortem

Distribution:

Orig - Addressee

1 - OPA Chrono

1 - OPA/PROD/MISC

NFAC/D/OPA/BOATNER: [] (50ct79)

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ADMINISTRATIVE - INTERNAL USE ONLY

14 June 1979

MEMORANDUM FOR: Director, National Foreign Assessment Center

FROM: 25X11

SUBJECT: Transmittal of "Analysis of NFAC's Performance on Iran's Domestic Crisis, mid-1977 - 7 November 1978"

REFERENCE: Memorandum for the Record from Robert R. Bowie, "Retrospective Examination of Analysis on Iran and the Data on Which It Was Based," 22 November 1978

1. Attached is our report on NFAC's performance in 1977-78. It draws on all types of information available to NFAC. (AIUO)

2. This report is directed primarily to you but we have written it in a way that we think it will be of use to others. We recommend that you make it available to senior managers, middle managers, and analysts in NFAC. We believe they will find much that is of general interest to them in it. (Additional copies are being held in PPG.) (AIUO)

3. We wish to note that we received strong cooperation from all those in NFAC who dealt with Iran during the period. We also received excellent assistance from support elements in NFAC, particularly--but by no means exclusively--Information Services Group of OCR. (AIUO)

4. This report was made available in draft to people in NFAC who were involved in analysis of the Iranian situation, most of whom gave us comments from which we benefited. It was also reviewed in draft by a panel composed of three experienced NFAC officers and three cleared consultants--none of whom had been directly involved in Iranian matters. We found their comments very helpful but the judgments and opinions in this report remain our exclusive responsibility. (AIUO)

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SUBJECT: Transmittal of "Analysis of NFAC's Performance on Iran's Domestic Crisis, mid-1977 - 7 November 1978 (AIUO)

5. We would be pleased to discuss with you all or any part of this report. (AIUO)

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Attachments:

- 1 - Agenda for Panel Review Meeting
- 2 - "Analysis of NFAC's Performance on Iran's Domestic Crisis, mid-1977 - 7 November 1978"

cc: DD/NFAC

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1000-3769-79/2

4 December 1979

MEMORANDUM FOR: Director, National Foreign Assessment Center

FROM :

[REDACTED]
Chief, NFAC Planning, Management, and Evaluation Staff

SUBJECT : Iran Post Mortem

1. You asked me to advise you on the disposition of the Iran paper. I have had a brief discussion with D/OPA, and suggest the following courses of action:

OK

a. OPA has reserved [REDACTED] in January to conduct some business that will focus on branch chief problems, attitudes, and needs. Helene has tentatively thought that she would like the branch chiefs and division chiefs to read the post mortem before that meeting. She would commission a small panel from the group to work hard on the study, drawing from it the key points for the branch chiefs. The group would then discuss the findings.

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Recommendation: Release enough copies of the report for OPA division chiefs and branch chiefs, and encourage Helene to pursue this course. If this is a fruitful experience, release the report to other offices for similar purposes. The key factor in this plan is that the report will be studied in a structured way. That way everyone will consider the same issues and key lessons will be highlighted.

b. The Advanced Analyst Seminar run by OTR for NFAC spends a great deal of time studying mind sets, analysts' attitudes toward changing data, perceptions, and analyst thought processes. This post mortem would make an excellent case study for use in that course--again under conditions that permit serious exchanges of views about key lessons.

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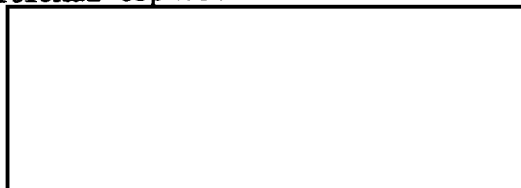
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Recommendation: Release 15 copies of this study to OTR for use as case material in the Advanced Analyst Seminar.

2. If you agree to these recommendations, PPG will have to be authorized to print additional copies.



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cc: Director of Political Analysis

All portions of this memo are classified SECRET [REDACTED]

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ATTACHMENT I

Recommended Distribution:

YJA [OPA to branch chief level
Other production offices to Division Chief level
One each to the other DDs and to the Chief of NE Division,
DDO, with a note indicating that other copies are avail-
able on a selective basis if desired and how to obtain
them.
WT [One each to the Directors of INR and DIA. (?)
WT [

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23 July 1979

Memorandum for Dr. Bowie

Subject: Comments re "Analysis of NFAC's Performance on Iran's Domestic Crisis, Mid-1977 to 7 November 1978" dated 15 June 1979

1. In examining the subject postmortem analysis, it should first be noted that it was a limited effort. It was basically limited to the information available to NFAC analysts without the benefit of State, Defense, and CIA electronic messages and telephone conversations that were closely held. Moreover, the analysis did not delve very deeply into US policy aspects which had enormous influence over both the analytical and operational/collection sides of the Intelligence Community. Thus, a broader examination of the matter would no doubt lead to some much different conclusions. In my own view, our "failure" in Iran was considerably more one of a policy nature, to include the lack of adequate policy-intelligence linkage, than an intelligence breakdown.

2. Within the relatively narrow bounds of this effort, I feel that the authors of the analysis did a good job; their analysis is detailed, comprehensive, coherent and reasonably free of bias. They have tried to identify those aspects of this inquiry where hindsight has influenced their views, but by their own admission, it is not possible to eliminate hindsight entirely.

3. Again, given the limitations of the study, I agree with the thrust of the author's main conclusions; namely that:

a. There were major deficiencies in the information received from the field.

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Subject: Comments re "Analysis of NFAC's Performance on Iran's Domestic Crisis, Mid-1977 to 7 November 1978" dated 15 June 1979

b. There was a partial failure to challenge underlying beliefs and assumptions, and focus on the most important questions. Faith in the strength of the regime; the Shah's willingness to use force which in fact would save the situation (a dual assumption); a conviction that the opposition was weak and divided, and could not unite effectively--these were among the most important beliefs and assumptions. (Not realizing that the preservation of the Iranian Armed Forces was essential and central to the survival of a moderate government, with or without the monarchy--this is an example of a failure to link policy and intelligence.)

c. Current events drove the intelligence effort with respect to Iran.

d. The managerial chain of responsibility did not adequately review intelligence production in a substantive sense.

e. The Intelligence Community lacks an estimative mechanism which can focus on the issues important to policymakers and produce analytical papers in a timely manner.

4. Finally, I feel that the authors might have gained some insights by tracing previous intelligence estimates on Iran and including an examination of the Iranian military buildup in their inquiry. To illustrate:

a. After the overthrow of Mossadegh in Iran and the return of the Shah to the country in 1953, and on into the early 1960s, the strength and stability of the Shah's regime was a constant source of American concern. This is reflected in NIEs on Iran of February 1960, February 1961, September 1962, April 1963, and May 1964.

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Subject: Comments re "Analysis of NFAC's Performance on Iran's Domestic Crisis, Mid-1977 to 7 November 1978" dated 15 June 1979

b. In the mid-1960s, apparently in the belief that the regime had grown much stronger and was no longer unstable, a shift in the outlook of the Intelligence Community towards Iran occurred. National estimates now indicated that the Shah was in solid control, his White Revolution was working, and the opposition was weak and divided. This is reflected in NIEs on Iran of March 1966, May 1968, September 1970, June 1973 and May 1975. However, the last NIE, May 1975, after seeing "little prospects during the next few years for a serious challenge to the Shah's total control", also saw that "strains within Iranian society seem destined to grow as other sectors of life modernize and the pressure for political participation becomes more insistent."

c. Soon after the election of President Nixon in 1968, the so-called "Nixon Doctrine" was enunciated in early 1969. This doctrine, among other things, reemphasized the need for the United States to pursue a strategy of collective security, but with a regional defense policy which emphasized the use of the indigenous forces of our friends and allies in the region, particularly their ground forces, looking to an American contribution of primarily air and naval support. Under this doctrine, Iran was to be the regional power in the Persian Gulf to fill the role previously played by British forces and the United States sold to Iran practically every new, sophisticated military system we developed except strategic nuclear weapons systems. We helped build a large, modern jet air force, one of the largest military helicopter fleets in the world, a large, modern army, and quite a respectable navy. A horde of American citizens (retired military, defense industry representatives, civilian technicians, etc., and their dependents in some cases), totaling over 40,000, inundated the Iranian military. (The Americans involved in this buildup had long felt that although Iranians can operate such sophisticated

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Subject: Comments re "Analysis of NFAC's Performance on
Iran's Domestic Crisis, Mid-1977 to 7 November
1978" dated 15 June 1979

gear, they cannot maintain it without a substantial American/foreign presence in the country.) The impact of this American involvement had to have undesirable social/cultural, political, and psychological effects in Iran, not to mention the consequences of diverting large Iranian resources to expand and modernize a defense establishment whose mission, nature, size and sophistication were open to question. (The NIE on Iran of May 1975 does touch on this problem.)



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19 July 1979

1. The principal thrust of the Post-Mortem (P-M) is the concept that NFAC (as the rest of the analytic community) performed inadequately with respect to Iran in 1978 primarily because the analysts held a firm pre-crisis view of Iran which caused them to give inadequate weight to pieces of evidence tending to contradict this view. Two misconceptions are cited in the P-M as fundamental:

--that the Shah would use force effectively to suppress the opposition should he believe he was in serious risk of losing control of events, and

--that the opposition would split rather than follow the extreme position insisted upon by Khomeini.

2. Essentially I agree with the above position, although I believe the P-M overstates and oversimplifies it. At times the P-M even misrepresents the facts when they seem to contradict its thesis. For example, in Paragraph 48 it states that the drafting of the NIE on Iran "started early in 1978 because it had been several years since the last NIE was completed; it was not a response to specific events." This is simply not accurate. The standard of passage of time since the last NIE would have put other countries ahead of Iran. I alone was responsible for recommending the scheduling of the Iran NIE to NFAC management and there were two principal reasons for my making this recommendation:

--the rather violent Community reaction to the suggestions in Admiral Turner's 1977 AWACS letter that the Shah's government might be subject to political and/or security weaknesses indicated to me that there were differences within the Intelligence Community regarding the stability of a nation important to our foreign policy, and

--[] information about collaboration between the underground leftists and the underground religious rightists, compounded by the apparent inability of SAVAK to make progress in suppressing these undergrounds, caused me concern that the Community was giving too little weight to these indications of potentially effective opposition to the Shah.

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3. The motivation for my recommending the NIE, therefore, does not in fact support the theory that we went wrong because of our strongly held views--nor does my title, "Iran: How Reliable an Ally?"

4. The P-M makes the valid point that NFAC predictions were hampered by the fact that in many ways the Iranian revolution was unprecedented ("a major discontinuity" the P-M--unfortunately--calls it) in that an entrenched regime with the support of a well equipped military force was overthrown by an unarmed mob. Also, the P-M notes, the past success of the Shah in overcoming organized large scale opposition as well as the demonstrated willingness of the armed forces to carry out his orders in dealing with the populace reinforced pre-existing beliefs that the regime could--and would--prevail. Further, there was conventional wisdom that pro-Western dictatorships are overthrown by the left, not the right.

5. The P-M observation that we are hampered by our tendency to try to give secular explanations for religiously motivated behavior is also valid and was particularly obvious to me during my service in NFAC (DDO officers, at least those with long Asian experience, have learned better). As an NIO I noticed this to be a problem particularly with analysts of Israel who never thought I was serious when I urged them to read Genesis--if necessary in the English translation. Earlier this week in the NID I read a long article on the Arabs of Khuzistan and found myself interested in the question of whether they are Shia (as are most Iraqi Arabs) or Sunni--only to end in frustration as the subject was never touched on. So the problem remains.

6. Unfortunately I cannot wholly agree with the P-M conclusion that there was no effort to influence analysis to support policy. As I recall, the DIA representatives were under orders to oppose my title, "Iran: How Reliable an Ally?" because it seemed to cast doubt on the wisdom of our military aid program.

7. The above notes are written off the top of my head without the benefit of any files or research, so there may well be an odd error of detail. Also, it should be remembered that I left NFAC at the end of July 1978, so I have minimal official knowledge of Iranian related events thereafter.

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26 July 1979

Memorandum for Mr. Bowie

Subject: Notes on the Iran Postmortem

I. Report as a Whole

1. The [] examination of finished intelligence on Iran over an eighteen months period contains a number of useful insights and constitutes an interesting and informative case study of certain aspects of the analytical problem.

2. But the study has severe limitations and serious weaknesses. Some of these are inherent in the design of the study. Others, probably more important, lie in the report's failure to develop a concept of the role of intelligence analysis in policymaking--to situate NFAC in that process--and to consider the relationship between intelligence and policy. These inadequacies in scope make the study less an overall performance appraisal than a fairly sterile documentary analysis, which may too easily be read as a search for scapegoats among a handful of Iranian analysts and the management chain in NFAC for what it chooses to term "an obvious intelligence failure".

3. In so doing, the report may obscure, rather than highlight, the more important lessons to be learned from the Iranian case.

II. Limitations in the Design of the Study

4. A very short time frame is used: summer of 1977 to November 1978.

5. The study is an examination of "only the information that was available to NFAC at the time...not...the quality of that information or...what might have been done to improve it." (Introductory Note)

6. The authors note "several deficiencies in the information available", but they state that "the subject of collection is beyond the scope of our investigation" (12).

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Subject: Notes on the Iran Postmortem

Collection and analysis are two of the elements involved. There is a third--and more important--dimension of the problem: The relation between policy and analysis. The report has little to say about the preponderant weight of US policy and attitudes in the swiftly moving Iranian situation the analysts were called upon to examine--or about the effect those policies might have in altering at the most critical junctures the ratio of forces in a rapidly disintegrating environment.

7. At one point the authors note that "feedback from policymakers would have helped in choosing alternative interpretations to be treated" (iv). At another, they observe that, "in the succeeding year after" the US Government made its decision to push the Shah to liberalize, NFAC's discussions of the problems involved were never "more than a few sentences long" (5b). It does not seem to have occurred to the authors that a closer relationship between policymakers and the Intelligence Community might have had advantages in assessing the implications or consequences of policy options before decisions were taken on the directions and use of US influence.

III. Results

8. Limitations in design often result in limitations in product. What the study presents, in sum, is an exegesis of texts, an analysis of manuscripts--in which the post-morticians grade a mixed score card of published materials. The product is less a single critique than three separate studies woven together:

- the postmortem itself
- an essay on management and organization
- an independent analysis of Iranian events

Each of these bears a brief look.

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Subject: Notes on the Iran Postmortem

9. Retrospective Analysis What the authors think they would have concluded--or examined differently--or qualified in lesser or greater degree--is of course closer to the mark. It is also possibly the least interesting part of the study. They have much of interest to say about such matters as the nature of Khomeini's appeals, the strength of the religious opposition, the Shah's moods, the political effects of economic slow-down, and the attitudes of non-elite groups--much of which has analytic value. But their analysis of the key elements in the Iranian revolution (as contained in the sections of the report following p. 53) has surprising omissions as an illustration of what the authors maintain "a sustained and thorough evaluation of the most important questions" (21) would have involved. It is a bit surprising to find so little by way of a critique of analysis, or estimative judgments, or available information on such matters as:

- the early and progressive organization of the opposition (money, agents, initial weapons, communications, linkages)
- the effects of corruption, at many levels of Iranian officialdom
- reactions to repression and SAVAK operations
- differential impacts of inflation, living standards and social mobilities on Iranian expectations
- demographic changes in age groups, organization, unemployment
- land reform (decreasing small-holder incomes, transfer of mosque estates to the Pahlevis, operations of the Shah's village agents)
- special role of the trade unions (particularly in the oil fields)
- student organization and agitation, at home and abroad
- bases of an apparently widespread anti-Americanism below elite levels

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Subject: Notes on the Iran Postmortem

Retro-respective views of Iranian events might have been expected to deal with many, if not most, of these matters.

10. Management/Organization Essay The authors seem to have in mind an organizational model which differs from NFAC, and much of their analysis reflects their preferences for:

- a more directed research effort. They write: "management must take the burden of re-ordering priorities and ordering that selected in-depth studies be undertaken. Working level analysts cannot be expected to take the initiative in shifting from the normal mode of analysis to one that is more appropriate to the situation" (20).
- an office of estimates. The authors observe that the present lack of a separate NFAC mechanism with estimative capacities "may have contributed to the difficulties" (41). They note that "the mechanism that once existed where a current office and an estimative office looked at issues from their different perspectives was not a cure-all, but it did offer on a regular basis opportunity for different approaches to surface" (vi). "The exchange involved sharpened argument and caused people to examine assumptions... Its demise is a considerable loss" (33). Absent such a mechanism, they appear to suggest the problem is insoluble: Analysts today have been "conditioned over years to keep an eye as close as possible to the facts and reports rather than draw out the implications... The system...has stronger incentives for writing for the NID" (23). They conclude that "when people are not used to writing analytical papers, one cannot expect them to be able to do so when the need arises" (26).

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Subject: Notes on the Iran Postmortem

11. These reflections seem part of those "general beliefs", about which the authors dilate elsewhere, that they feel largely pre-determined the subsequent analysis of the Iranian problem. Their view of analysts, particularly those at senior level, seems curiously constricted. But those who hold similar organizational preferences will no doubt be more responsive to the line of criticism which the authors make of NFAC performance during the period reviewed-- criticisms which in turn generally reinforce their predilections on desirable organizational mold. The point is not so much that the authors' arguments are right or wrong, but that their implicit assumption appears to color much of their own analysis. The case for a revised or a revived estimates office should be argued on its own merits. (The old Board mechanism is not generally remembered for its immaculate record of Iranian prediction.)

12. Postmortem Two initial points should perhaps be made:

- No other intelligence service, whatever its organizational form, appears to have done much better.
- The report's specific findings on NFAC performance in the 1977-78 have an unusually tentative and qualified nature.

13. The postmortem itself involves at least several separate matters: (a) underlying conceptions, (b) analytical judgments, (c) process and performance.

(a) Underlying Conceptions The authors' most basic judgments appear to be that: "The problem lay less in incorrect interpretation of specific bits of information than in a misleading analysis of the situation which pre-dated the crisis" (5) --that variations in analyst performance were attributable to "general beliefs about Iran which long pre-dated" the protests (4) --that those beliefs were in turn related to whether the analyst was a "liberal or conservative" person (5) --and that the authors could not analyze "how and why this belief formed" (6).

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Subject: Notes on the Iran Postmortem

This underlying concept--in which epistemology replaces analytics--presents a number of problems. If accepted, it would undercut much of the report's subsequent critique. It would provide a somewhat uncertain criterion for the future selection and training of NFAC staff. And in a period in which crises were still unresolved, it would not provide much help to policymakers weighing their current options. The "general beliefs" argument may account for a fundamental ambiguity in the study which the drafters never openly confront or clearly resolve: whether there was an inevitability to the course of events in Iran which a "non-misleading analysis", long pre-dating the crisis, should have foreseen from the beginning--or whether the Iranian outcome lacked pre-determination, turned on options and decisions which were not fore-ordained, and remained in question until a very late stage. Was there inevitability in the overthrow of the Pahlevi dynasty? If not, how long was the outcome in doubt? If so, how much earlier than November, 1978 should it have been foreseen? Despite their meticulous inquiry, the authors never offer an explicit findings on these questions which would seem to be basic to the formulation of an opinion on NFAC's performance.

(b) Analytic Performance Apart from suggestions of how the authors believe they would have handled certain aspects of the problem differently, their judgments on the specific conclusions reached by the analysts at the time events were unfolding, are exceedingly diffident and tempered. As examples:

- "...even in retrospect it is hard to say why he (the Shah) did not crack down" (ix)
- "No definitive answers were possible, but a more thorough weighing of the evidence and a more penetrating analysis of the problem were" (xi)
- (White Revolution) The problem of liberalizing a repressive regime "was great enough to have called for much more attention and analysis" (65). Analysis which was made was "plausible", "made sense", "made eminent sense", but was also "a typically American view" (sic). The authors note that they differ on the extent to which such ethnocentrism may have affected intelligence production" (66-67)

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Subject: Notes on the Iranian Postmortem

- (Shah's willingness to use force)
Various signs should have been noted, "but it would have been impossible to say exactly how significant they were" (71)
- (Splits in the opposition) "This is not to say that the evidence was so overwhelming that the analysts should have automatically accepted it. But there should have been a probing of the reports..." (94) "No definitive answers were possible, but a more thorough weighing of the evidence and a more penetrating analysis of the problems were." (95)
- (Religious Opposition) "Unless one used that (a pro-Khomeini, anti-Shah) perspective, the evidence would not stand out as especially significant" (107)
- (Contacts) "The most they (the analysts) could have done was to have pointed out that vital information was lacking and to have asked for a change in the priorities of information collection in the field" (130)
- (Policy Biases) Policy did not have a strong and direct impact on analysis. "But we cannot completely rule out the possibility that the subtle influence of US policy may have made it a bit harder for the analysts to realize that the Shah's position was becoming precarious" (131)

The foregoing quotations--largely from the italicized "Conclusions and Evaluation" sections of individual chapters--have an elusive quality. No explicit judgments are given on what "more probing", "more thorough weighing", etc. would have produced. They stand in some contrast with the values

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Subject: Notes on the Iranian Postmortem

the study elsewhere attaches to "sharp and explicit predictions" by analysts. And, as the authors note elsewhere "it is much harder to tell whether there was an intelligence failure in (the sense that)...given the information available, did NFAC ignore or misinterpret events in ways and to an extent that consumers can legitimately expect should not and will not occur." (i)

(c) Process and Performance Similarly, in dealing with the particulars of the people involved and their interactions, the study seems reluctant to come to grips with specifics:

(i) Analysts A total of 5.6 analysts on Iran are noted. There are a few generally favorable references to the senior analyst; little on the others. The study obviously considers their products, in greater or lesser degree, inadequate, but avoids the more central question of the competence of the analysts for their tasks, in such matters as selection, background, training, and previous evaluation. Were there variations in their individual performance or output? Were the published assessments mainly individual or joint products? If both, which was more effective? Were there differences in their coordination practices abilities to integrate Community

observable differences in products or practices correspond with length of experience, tenure on Iran, language capability, field trips, advanced training, if any? The study does not treat such matters. Its undifferentiated use of the term "the analysts" is not of much help to managers seeking to improve performance.

(ii) Management Similarly the study uses "management" and "managers" scores of time without discrimination or definition. What was the approval chain above "the analysts", and how numerous and layered? What is the evidence for "an absence of substantive review", as asserted in the author's statement that: "In the case of Iran, there was also a failure of what can be called intellectual or analytical management in

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Subject: Notes on the Iran Postmortem

the absence of substantive review of what the analysts were writing." (26) Were there no exceptions? Where in the management chain, should critical, substantive reviews have been made? How many times? At what levels? Where did the breakdown in systematic evaluation occur? How was coordination carried out among the analysts and between NFAC's several offices concerned with Iran? With what results? Was this, in practice, an analyst or a management responsibility? What should it have been? Were there no challenges to NFAC's analysis on Iran by other agencies prior to meetings on a prospective NIE in the fall of 1978? What was the nature of NFAC-DDO relationships during the period? Were there differences in NFAC and [redacted] If not, this bears on NFAC performance. If so, whose management responsibility was it to probe for discrepant bases? The study does not tell us much about how the system worked in practice.

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(iii) NIO Performance A curious picture emerges: The NIO is said to have shifted his view to distrust of the Shah's capacities in early October 1978 (76)...to have lost faith in the political analysts' judgment about the same time (35)...not to have engaged in full exchanges of opinion with them (55)...to have been uncommunicative about inter-agency meetings on Iran (35). If these matters were regarded as significant for NFAC's performance, was there an indicated remedy short of the re-establishment of an estimative office? If so, why was it not pursued? What was the general relationship between the "managers" at office levels and the NIO during this period? What should it have been? What accounted for the difference? A related series of questions might concern the State Desk Officer, whom the authors admiringly identify as "probably the most pessimistic official in the government" (34). What is the evidence for this description? When and at what point and on what issues did this officer dissent or demur from NFAC's analytic community? Were his views known to "the managers"

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Subject: Notes on the Iran Postmortem

and "the analysts"? If not, why not? Were his views well grounded or the products of "general beliefs"? Why did INR disregard, or fail to relay, them to NFAC?

14. These matters seem far from peripheral to an exercise styled an "Analysis of NFAC's Performance on Iran's Domestic Crisis". Textual criticism alone is flat and one-dimensional, and, whatever its merits for documentary analysis, should not of itself constitute a performance appraisal.

IV. Summary

15. The issues touched upon in the study are broader than those analyzed by a report which is essentially a documentary critique. They include the basic question of how the United States Government organized itself to report on Iranian developments as an integral part of the policymaking process--the place of NFAC in that process and in that integration of effort--and the specific operations of NFAC which resulted in its finished production. The [] study is interesting and informative, and obviously done with painstaking care. For reasons noted above, it should not be regarded as a definitive appraisal of NFAC performance on the Iranian crisis.

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NFAC #5170-78

22 November 1978

MEMORANDUM FOR THE RECORD

FROM: Robert R. Bowie
Director, National Foreign Assessment Center

SUBJECT: Retrospective Examination of Analysis on Iran and the Data
on Which It Was Based

1. This memorandum establishes a two-man team to examine the record of NFAC analysis on the Iranian domestic political situation over the past year or so. I wish to determine if we in NFAC have failed to use information, did not have information, have allowed judgments to be determined by a mind-set, have not pushed the system to produce data, and so on.

2. Accordingly, I have asked [redacted] a cleared NFAC consultant and Professor of Political Science [redacted] and [redacted] Senior Analyst in ORPA, to undertake this examination.

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[redacted]
[redacted] formerly Deputy Director of the Offices of Political Research and Regional and Political Analysis, is a Middle East specialist of long standing who has served in the Clandestine Services and the Office of National Estimates as well as in NFAC. The two provide a balanced team of one person experienced in methodology and another with more traditional area and disciplinary background.

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3. Messrs. [redacted] are to undertake an examination of the field reporting on Iranian domestic affairs for the past 12-18 months. This is to cover reporting from DDO, the US Embassy, the Military Attache, COMINT, and unclassified sources. They are

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SUBJECT: Retrospective Examination of Analysis on Iran and the
Data on Which It Was Based

to match the reporting, in a chronological balance sheet, as it were, with the analytical and reporting output of NFAC. This approach will enable them to produce systematic evaluation of how the available data was used (or not used) in analysis of the Iranian situation.

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4. Messrs. [] will work under my authority and submit their report to me. They will have access to all information and to all NFAC output. I anticipate that they will get needed cooperation from other Agency components. Their report will, drawing on the balance sheet referred to above, reach judgments on the quality of our analytical performance, on our use of information, on the adequacy of information and the like. Should they disagree, I expect each to present his judgment, buttressed by appropriate argument.

5. I believe that a situation such as that in Iran, in which developments have run counter to conventional wisdom, offers us an opportunity to examine the way we do our business, to search out analytical, conceptual, informational, resource or other weaknesses and to take steps to remedy such weaknesses as are found. Lessons learned in this examination should be applicable to intelligence analysis in other areas.

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[]
Robert R. Bowie

cc: D/ORPA
ORPA, []

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BOWIE

20 July 1979

MEMORANDUM

SUBJECT: Iran Post-Mortem

These comments are my first reaction upon completing the report on the NFAC performance on Iran in 1978.

1. The report seems to me to be much affected by hindsight despite the express recognition of this danger. The premise that the events which took place were bound to happen underlies much of the discussion. There does not seem to be any element of contingency where events might have taken a different turn had conditions been different or had the Shah or others followed a different course. My perception of the way in which events unfolded was certainly different at the time. That, of course, could be a mistake. But even in retrospect, I cannot convince myself that the actual course of events was inevitable until rather later than is implied in much of the discussion of the report.

2. The report stresses the fact that two assumptions which underlay much of the analysis proved to be wrong:

- a. that the Shah would actually use force to suppress the opposition if he thought there was a serious chance of his losing control, and
- b. that the opposition had split.

The first of these premises certainly did affect much of the analysis. In view of the past it would not seem reasonable to expect substantial evidence to have reached the contrary view, especially since the Shah was clearly in full control of the army and SAVAK.

3. My memory of the second premise is somewhat different. It was not assumed that the opposition had split but rather that it would not coalesce under Khomeini. No effort was devoted to trying to analyze the sources of discontent of the different groups. This indicated the extreme disparity among them and the divergence in what they objected to in the Shah's rule. We also supported the view that a number of these groups actually preferred that the monarchy should continue though essentially as a constitutional monarchy with greatly reduced powers. Since this was diametrically opposite to Khomeini's commitment to get rid of the Shah, it did not seem probable that the various groups would be united with the sole aim of getting rid of the Shah. Events in the last six months have certainly shown how widely the various groups did differ and still do about what they really wanted to achieve.

4. The report recognizes that on many points our problem was the evidence available to the analysts. Yet it does not seem to me to give adequate weight of the effect of this on their conclusions. At various points the report refers to the estimates in the fifties and sixties which stressed the weakness of the Shah and the likelihood that he would not be able to maintain his throne (usually the Fall that is placed just beyond the period of the estimate as I recall it). The experience of nearly twenty years during which the estimates had cried wolf must have induced some self-doubt on the part of the analysts. The fact that the estimates had been repeatedly proven wrong and that the Shah had indeed endured should have led any analyst to await persuasive evidence before finding that the Shah was doomed when the evidence was so fragmentary and obviously so limited regarding the strength and extent of the opposition. This certainly contributed to the hesitation of analysts to reach a final judgment that the Shah would not be able to surmount the turmoil of the 1978 period.

5. My memory is that in late August the NIE was presented to me in draft. At that time I took issue with what seemed to me the conflict between two portions of the estimate, (a) the discussion of the Shah tended to indicate great confidence and continuity either through his own continuing to hold the throne or by the continuance of the same policy even if he were succeeded by his son or by a military regime, and (b) the analysis of the problems which faced

Iran over the coming years. I felt that those problems surely made even the continuance of the monarchy more doubtful or uncertain than the estimate allowed, although I did not anticipate that his throne would be in jeopardy so soon.

6. I want to also reread my testimony before the Senate Foreign Relations Committee in September. My recollection is that I indicated pretty clearly that I found that (a) the opposition was substantial and extensive though highly divergent in its aims, (b) that the threat to the Shah was real and substantial but that (c) on balance he still would have a good chance to surmount the troubles. My assumption, as I recall it, was that he would show the skill to reach out and tap the moderate forces which seemed to want continuance of a constitutional monarchy and that he would be prepared to make the changes in actual power which were required for that result. The second assumption was that he had the means to repress the more extreme opposition and would be prepared to use them. Both of these premises turned out to be wrong but even as late as September and October they did not seem to me to be unreasonable on the basis of past experience and the evidence up to that time.

Robert R. Bowie

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17 July 1979

MEMORANDUM FOR: Dr. Bowie
SUBJECT: Post-mortem

Critique of the Post-mortem

1. The post-mortem is done with great care and conspicuous analytical acumen.
2. The overall judgments are close to the mark. Obviously, NFAC failed to anticipate the course of events in Iran that took place late in 1978. It is also correct to say that NFAC did receive some evidence that pointed to the Shah's vulnerability. On the critical question of whether or not NFAC's estimates were unreasonable in the light of all information, and thus on whether there was a culpable intelligence failure, the post-mortem does not give a flat answer. The refusal to give a flat answer is clearly laudable. A flat answer, one way or another, is not supportable. The realistic question had to center on the degree (and, of course, kind) of estimative weakness. Here the balance of judgment elaborated in the post-mortem points to a higher degree

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of unreasonable failure than can be defended conclusively. Even though the authors know and acknowledge the difficulty of evaluating estimates made before the advent of hindsight, they do not seem to have overcome this difficulty completely. Indeed, there is considerable evidence for the thesis that the constraints of hindsight knowledge cannot be entirely neutralized in the process of post-mortem judgment.

3. It is also important to clarify the precise object of estimative failure. The Iranian revolution was clearly an unusual, virtually unprecedented, event which nobody, not even the Iranian revolutionaries themselves, were able to foresee in detail. The authors of the post-mortem, therefore, were right in limiting the object of intelligence failure to the Shah's ability to stay on top and to the strength of his opposition. Any attempt to do more, that is, to estimate not the probability of revolution but its precise evolution would have come up against an intractable order of difficulty.

4. While the post-mortem is a bit too harsh in estimating the degree of intelligence failure, it is in any case the identification and discussion of the reasons to which this failure (whatever its true degree) is to be attributed that constitutes the principal value of the post-mortem.

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5. This contribution of the post-mortem deserves serious study. There is nothing new in the analytical framework which the authors bring to bear. The underlying model is taken from existing intelligence theory, especially the theory of threat perception

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Factors Contributing to "Intelligence Failure"
(according to post-mortem)

6. The main factor is the prevalence of strong assumptions about the Iranian political situation, especially the assumption that the Shah was basically strong and could survive any likely challenge and the assumption that the opposition was divided and weak. Given the persistence of these pre-existing beliefs, the importance of conflicting information was downplayed. Conflicting information did not induce a re-examination of basic preconceptions.

7. Related to this fundamental factor of preconception is the absence of routinely subjecting information to alternative analytical assumptions in all crucial cases. (The problem here is that critical cases may not be recognized when one basic preconception is almost uniformly and strongly held.)

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8. The prevalent assumptions were also supported by certain prejudices, i.e., that modernization tends to be stabilizing, that the Shah's liberalizing policy was good and likely to be stabilizing, and that religious factors were not a major or key determinant of Iranian behavior.

9. For a number of reasons, information on the Iranian domestic situation was inadequate. The main reason, in line with the assumption that the Shah's hold on power was solid, was that information on Iranian domestic politics had a relatively low priority. Informational contact was overwhelmingly with the Iranian government and elite.

10. Another basic factor contributing to the intelligence failure was the format of NFAC intelligence production and the norms that guide it. The main emphasis is on a reporting of recent events that stays as close to the "facts" as possible. The piecemeal nature of this reporting discourages a new look at the stream of information that cumulates over time. When a formal estimate is laid on, the prevalent production process discourages indepth analysis. One cannot tell from the product how analysts arrived at the conclusions which are commonly only

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asserted and not supported by sufficient evidence. The disinclinations to entertain alternative underlying assumptions and to state the chosen assumption explicitly, and ^{the inclination} to refrain from making sharp predictions obstruct the analysts' understanding of the implications of their driving beliefs.

11. An insufficient pool of knowledgeable analysts added to the weaknesses of the production process. Undue emphasis on frequent reporting reduces the resources available for estimative analysis. Lack of numbers also is one reason why there is little peer-group review and discussion. (The fact that most analysts are isolated is another reason for this lack.)

12. Analysts also drew insufficiently on outside non-governmental experts on Iran. Some of these did not share official preconceptions and were sensitive to, and in possession of, information that would have helped to provoke a new look at the situation evolving in Iran.

13. There was, furthermore, a failure to pay proper attention to the political consequences of economic developments in Iran, especially when an economic downturn added to widespread unemployment, and an inability to integrate political and economic analysis.

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14. NFAC management is alleged to have failed to impose a critical review and challenge on NFAC reporting and estimative analysis.

15. Finally--and this is an intriguing point--while analysts prefer, for understandable reasons, a short time frame for estimative purposes, the time frame set for the NIE on Iran turned out to be too extensive. The crucial problem of instability turned out to be short-term. Asking questions about longer-term stability reinforced the assumption that there was no short-term problem.

16. There is perhaps one angle--an extremely sensitive one--which the post-mortem may be said to have neglected. The post-mortem argues that there was enough information to call in question the underlying assumption on the solidity of the Shah's power and the weakness of his domestic opposition. Yet if a serious re-examination of this preconception had taken place, it would have been hard to avoid the impact of US policy toward Iran. Not only may US policy on human rights and political liberation have pushed the Shah farther than it was safe to go, there is also the question of whether he felt that his option of restoring order by using the military was weakened by US policy.

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17. The post-mortem does not explicitly distribute weight to all the factors that are said to have detracted from a better estimative performance. They seem to suggest, however, that the ones listed under 6, 7, and 10 were the primary ones. This judgment, too, has merit although informational shortfalls also deserve to be ranked highly.

18. Three questions remain to be answered: (a) Which parts of the post-mortem are accepted? (b) Should the NFAC weaknesses it expressed be remedied, at least in part? (c) If so, how should this be done?

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NFAC 3769-79

18 July 1979

Memorandum for Dr. Bowie

Subject: Earlier Estimates on Iran

Estimates on Iran: 1960 - 1975, The RecordNIE - Outlook for Iran - 16 February 1960

Estimative emphasis is on the stability of the Shah's regime and chances of an upheaval. The military and security forces are seen as main support of Shah but also as chief potential threat to his regime. (A coup attempt might take place any time.)

While the odds on an upheaval are difficult to assess, on the whole the chances are estimated to be against a coup; but a coup might be triggered by civil disturbances threatening public disorder.

However, the paper notes new internal threats generated by economic developments and difficulties that are apt to weaken the Shah's position. The "long-run importance of this civilian opposition cannot be discounted." "If a dramatic issue and effective leadership should emerge, the opposition would probably be able to mobilize popular support for attacks on the present order."

NIE - Prospects for Iran - 28 February 1961

Focus primarily domestic. Growing political unrest of urban middle-class more openly manifested. "While a political upheaval could take place in Iran at any time, the odds are

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Subject: Earlier Estimates on Iran

against such a development in the next year or two. However, profound political and social change in one form or another is virtually inevitable. *The nature of Iranian politics and the character of the Shah make it unlikely that this change will be evolutionary"*

SNIE - Political Prospects for Iran - 7 September 1962

Focus internal. "Before long (the Shah) will almost certainly again become the direct target of political pressures and general discontent. As long as he retains control of the army and security forces, the chances are that he will be able to ride out such crises, *but each time a serious crisis rises, the possibility of his overthrow or even his voluntary abdication will be present."*

SNIE - The Iranian Situation - 10 April 1963

Focus internal. Conclusion similar to above: Forces are set in motion that it will be difficult to organize and direct. However, chances of Shah remaining in control are good.

NIE - Iran - 20 May 1964

Focus domestic. It is held to be uncertain whether modernization will prove relatively peaceful or whether violence and revolution are in store. Shah's reforms stimulate and shape forces that must bring eventually profound changes in Iranian society, *one way or another.* However, the Shah, supported by the armed forces, seems likely to dominate Iranian political life for some time to come.

NIE - Iran - 24 March 1966

Focus domestic and foreign policy. Shah is aware that his domestic position depends on US support. He will probably remain firmly in control though the bulk of the educated

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Subject: Earlier Estimates on Iran

middle class will remain estranged from his regime. Religious conservative opposition is also noted but it is said to be muzzled and leaderless. *The opposition is highly unlikely to come to power because it is disparate and fragmentary.*

Special Memorandum - The Shah's Increasing Assurance - 7 May 1968

Focus mainly external. *The Shah is said to have dramatically strengthened the position of the monarchy during the past decade. He has undercut the already fragmented opposition by carrying out economic and social reforms. From a timorous, titular monarch he has turned into a self-confident potentate. Longer-range problems remain, but for some time to come the unrest of earlier days seems under control. Over the long term, the Shah's policy of rapid industrialization will probably not provide a satisfactory substitute for greater political participation, but for some time to come the unrest of earlier days seems under control.*

SNIE - Iran's International Position - 3 September 1970

Focus primarily external. Shah's internal position is said to be solid. The economy is booming. There is no organized opposition. The conservative Muslim clergy is only mumbling.

NIE - Problems in the Persian Gulf - 7 June 1973

Focus on external problems. *The Shah is keeping domestic frustration and hostility under firm control by means of the "White Revolution" and repression of dissent.*

NIE - Iran - 9 May 1975

Focus both domestic and external. *"We see little prospect during the next few years for a serious challenge to the Shah's authoritarian control over Iran's internal affairs."* Nevertheless, his monopoly of decisionmaking is incurring political costs in terms of growing alienation and discontent. Strains within Iranian society seem destined to grow.

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Subject: Earlier Estimates on Iran

Comment

1. Estimates were more frequent during the 1960s (especially early 1960s) than in the 1970s. Why?
2. The main focus of the first five estimates was on Iran's internal affairs. In 1966 the emphasis shifts to its foreign role. The last estimate (1975) dealt with both sides.
3. Relatively speaking, the analytical and estimative quality of estimates was better during the first part of the 1960s than afterwards. The earlier estimates reflected an understanding that rapid economic development was bound to be destabilizing in this autocracy and that a violent upheaval, though not imminent, was almost certain to occur in the longer run. (In retrospect, these estimates were very good.)
4. The NIE of March 1966 breaks with the estimative thrust of the preceding papers. The new tone is strongly established in the Special Memorandum of May 1968. The Shah's position is now seen as solid and the opposition, even though present and perhaps growing, is perceived to be weak and divided. It appears that this new estimative thrust prevailed through 1978 and the approach (seen in retrospect) of a revolutionary crisis.
5. The intriguing question is: Why did this change in basic assumptions occur in 1966 and 1967? I do not know and can only list some possibilities.
 - a. Was it induced by a "cry wolf" phenomenon? (This is not very plausible because the earlier estimates placed the probability of a serious upheaval in the far future.)
 - b. Was it induced by Iran's rapidly expanding armed forces and by their perception as an effective means of suppressing any active opposition?
 - c. Was it induced by a deterioration in the flow of information? And if so, why did this happen? Was it largely that information on Iran's domestic politics

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Subject: Earlier Estimates on Iran

was given a reduced priority because of the new prevailing assumption that the Shah's hold on power was firm?

d. Was it induced by a change in US policy toward Iran? And if so, in what manner?

e. Was it induced by a change in the quality of the analysts?

f. Was it a consequence of INR's contraction?

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EYES ONLY

23 July 1979

Memorandum for Dr. Bowie

Subject: Postmortem

1. You asked for further reflection following your discussion with the SRP.

2. I still think that the postmortem is a fine report despite serious questions that can be raised about it.

3. To clarify one point I made in my review of the postmortem. If one believes in some failure of intelligence in the Iranian case, the failure was not that of having failed to raise as a serious possibility the precise nature and timing of the Iranian Revolution and of its development (so far). The estimating failure rather was one of attributing too much solidity to the position and capabilities of the Shah and of underestimating the strength of the opposition and of its capacity to coalesce under propitious circumstances. There was nothing inevitable about the actual developments and outcome of the events that are now known as the Iranian Revolution. Several possible intervening factors could have modified or postponed the revolutionary events or led to a different denouement.

4. There is one part of the problem which the authors of the postmortem did little to penetrate, perhaps because they felt unable to do so. US policy toward the Shah may well have had a major impact on Iranian developments. In ways as yet unclear and speculative, the intelligence failure may have resulted in part from this policy, (a) in terms of structuring attention to Iranian realities and the procurement of information; (b) in terms of discouraging intelligence analysts from pursuing questions that might have been, or were felt to be, uncomfortable to policymakers (because they were assumed to cross the boundary between intelligence and policymaking) and (c) - and perhaps most of all - because US policy helped to bring about the actual course of events in Iran.

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EYES ONLY

Subject: Postmortem

5. To the extent that the relative failure of intelligence resulted from the interlinkage of policy and intelligence mentioned under (4) the remedies suggested by the postmortem are incomplete, perhaps seriously so. But they are not, in my opinion, misplaced. Indeed, nearly all the suggestions are in line with deficiencies previously noted by the SRP and others in other estimates.

6. I find it difficult to give any advice on what should be done with the postmortem. Three possibilities occurred to me: (a) to circulate a summary and/or excerpted version; (b) not to circulate the postmortem beyond its present range; and (c) to circulate the original postmortem with a brief critical commentary. I do not like any of them because (a) and (b) might stimulate thoughts that unwelcome truths are being suppressed, and (c) might lead to a defensive reaction in NFAC and be exploited unfairly by critics elsewhere. Unless knowledge of the postmortem can be closely limited, (c) might be least undesirable course of action. I do think, however, that (a) and (b) are also legitimate choices because the purpose of a postmortem is to identify deficiencies in order to mitigate them. And that is the responsibility of NFAC management.



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